



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



NOVEMBER 30, 1999

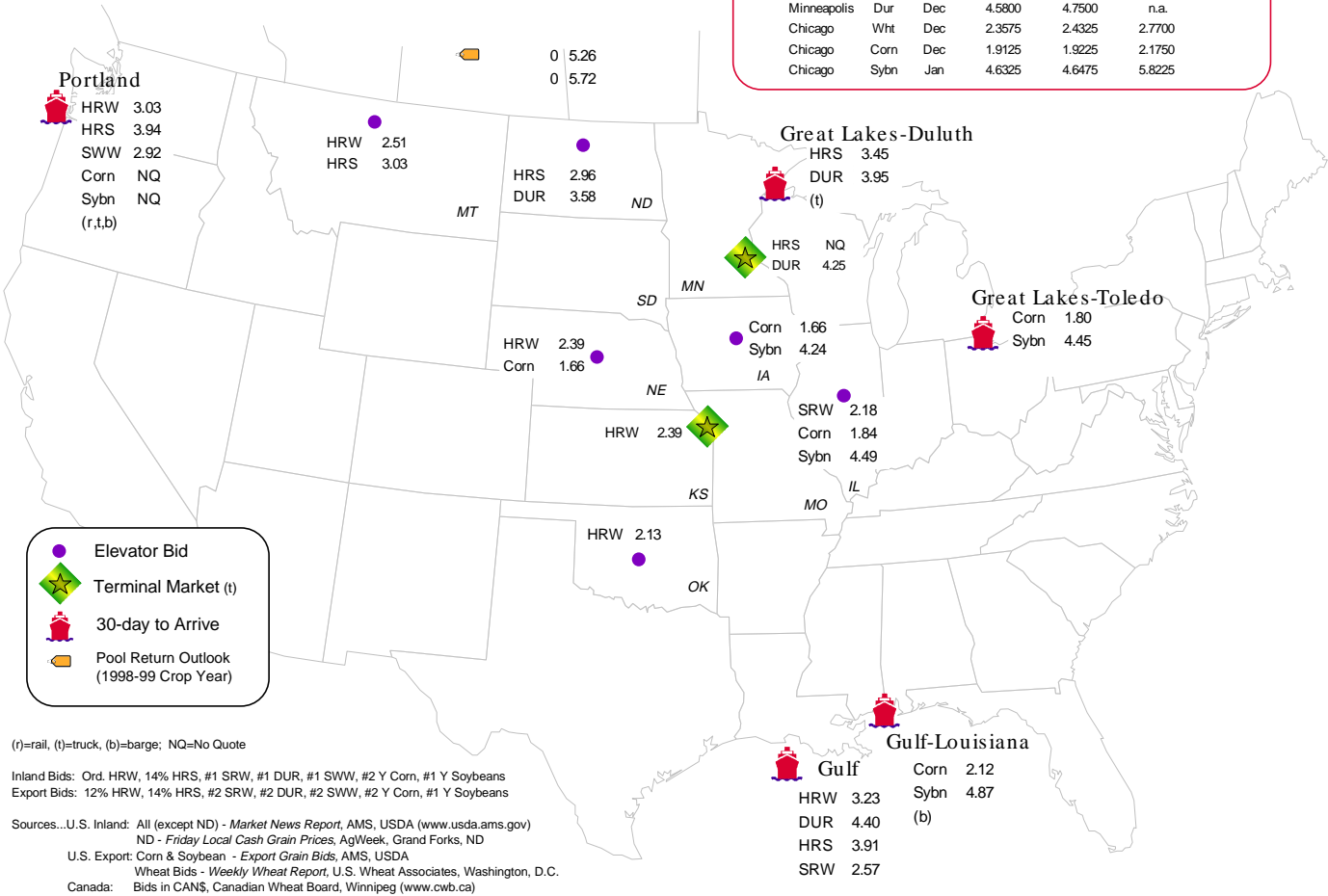
WTO Talks Open In Seattle. Amidst the noise of an estimated 50,000 demonstrators, representatives of the 135-member-nation World Trade Organization (WTO) began discussions in Seattle, WA, this week. As expected, agricultural trade is proving to be among the most complicated and controversial issues facing negotiators. Even before the Seattle talks began, differences in the desired agenda became evident as Japan and the European Union (EU) sought a broad, comprehensive approach to the global talks, whereas representatives such as those from the U.S. and the 18-member Cairns Group were determined to have talks focus on a limited scope of issues, including agriculture and service industries, such as electronic commerce, in addition to the worldwide establishment of minimum labor standards. Labor standards are particularly controversial in developing countries, such as Thailand, India, and China, which perceive the issue as protectionism, that is, a way for the developed countries of the EU and the U.S. to protect their jobs from foreign competition. Claims of protectionism have also been leveled against the U.S. by Japan. Japan claims that U.S. antidumping laws, intended to prohibit foreign countries from selling goods in the U.S. below the cost of production, should be a part of the trade talks. The U.S. is strongly opposed to including these laws in trade talks. However polarized the various member-nations may appear, they all have a considerable stake in the trade talks and have been largely committed to achieving fair and free global trade. "Failure is not an option," according to Charlene Barshefsky, U.S. Trade Representative, emphasizing the importance of global trade within the Clinton Administration. Some primary goals for the U.S. delegates are for the elimination of export subsidies and the reduction of agricultural tariffs. The EU has long been criticized for providing excessive agricultural export subsidies, drawing claims of creating artificially cheap exports in order to reduce surpluses and, thus, pricing other agricultural exporting countries out of the world market. "The United States is the lowest cost producer in the world, and we can compete in the world market against anyone if the playing field is level," according to North Dakota Governor Ed Shafer. Although the EU reduced support levels during Agenda 2000 discussions in Brussels earlier this year, EU officials admit that their system supports domestic prices above world levels. So, the U.S. and the 18-member-nation Cairns Group, including Australia, Canada, Argentina, Brazil, and other major farm exporters, are calling for the total elimination of EU export subsidies. EU Farm Commissioner, Franz Fischler, however, stated that "signing up to a WTO deal which would imply going back to the drawing board on Agenda 2000 is not an option." Fischler also commented that the U.S. would need to reconsider its export programs such as food aid and export credits before the EU would negotiate any reductions in export subsidies and domestic supports. EU officials have continually commented that the U.S. has provided farmer subsidies in the form of billions of dollars in farm relief. On the issue of food aid, U.S. Secretary of Agriculture Dan Glickman stated, "I find it most ironic that any developed nation would ask that food aid to the hungriest nations of the world be put on the agenda as a trade item." Also important to the U.S. is a reduction in agricultural tariffs. U.S. tariffs on farm imports average 8 percent compared to almost 50 percent for other WTO member-nations, according to Tim Galvin, Administrator of USDA's Foreign Agricultural Service. Steep tariffs or import duties restrict the access of exporting countries to those foreign markets. As mentioned, demonstrators, including church groups, students, environmentalists, labor unions, and others such as Public Citizens Global Trade Watch, reported to be the main coordinator of the protests, have been extremely vocal during the trade talks. Lori Wallach, director of the coordinating group states, "So many people are upset with the WTO because of the expansiveness of its limits on government health and safety actions." Wallach continued, "Its track record has been that every single environmental or health policy it has reviewed has been found to be an illegal trade barrier." The current WTO round, the first in a series, is intended to establish a consensus for the scope of the talks. It is expected to be 3 years before any international trade decisions are likely to be reached. Negotiations next move to WTO headquarters in Geneva. (*The Seattle Times* 11/28, *Reuters* 11/26,29, *AP* 11/29,30, *NY Times* 11/29)

China-Canada Reach Agreement. Chinese and Canadian trade representatives signed a bilateral agreement late last week, marking the next step toward China's admission into the WTO. The agreement, reported to be very similar to that recently reached between the U.S. and China, will provide reduced tariffs for Canadian exports to China, particularly for telecommunications equipment, aircraft, canola oil, and paper products. Access will also be improved for Canadian canola, wheat, barley, malt, feed peas, alfalfa pellets, and North American ginseng. China is Canada's fourth largest trading partner, with total 1998 exports to China valued at C\$2.5 billion. Agricultural products accounted for over 55 percent of those exports. Speaking on the issue of China's record on human rights, the Canadian International Trade Minister Pierre Pettigrew stated, "The deep conviction we have is that trade does lead to development, and development does lead to better human rights." China is joining 30 other nonmember countries at the WTO meeting in Seattle this week as observers of the proceedings. (*Reuters* 11/26, *The Seattle Times* 11/28)

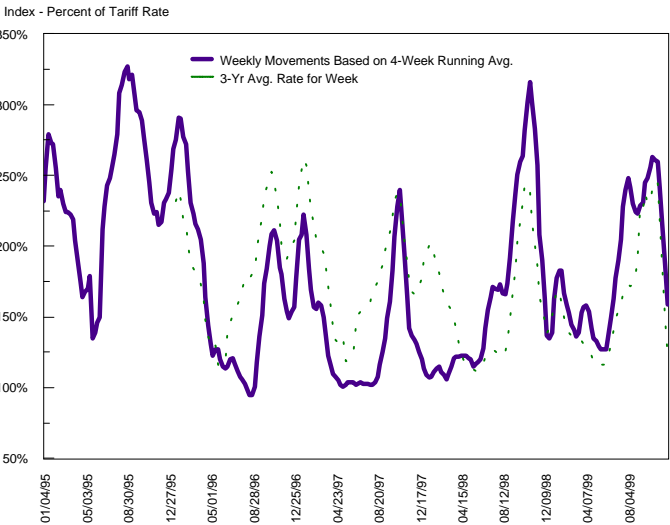
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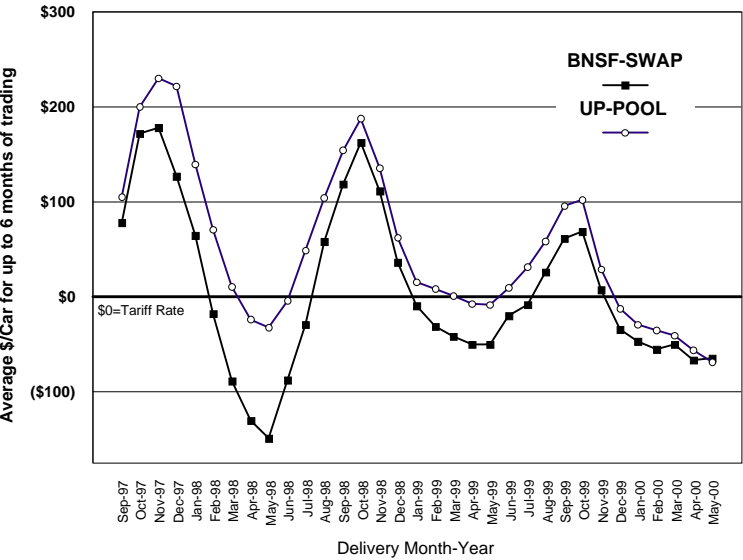
Grain Bid Summary



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Dec-99		Feb-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	12,175	41%	11,000	7%
UP-GCAS	5,400	27%	5,400	0%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Dec-99	Jan-00	Feb-00	Mar-00
BNSF-GF	\$(187)	\$(108)	\$(105)	\$(68)
UP-Pool	\$(92)	\$(102)	\$(93)	\$(90)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Dec-99	Jan-00	Feb-00
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values**

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
11/24/99	Illinois River	twk	125*
		Dec.	135*
	St. Louis	twk	100*
		Dec.	100*
	Ohio River	twk	100*
		Dec.	105*

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

Southbound Barge Freight Spot Rates

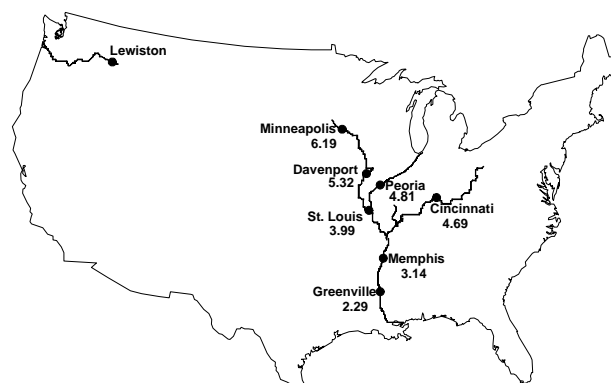
	11/24/99	11/17/99	Dec. '99	Feb.. '00
Twin Cities	nq	199	nq	nq
Mid-Mississippi	141	152	nq	nq
Illinois River	130	149	143	168
St. Louis	104	112	109	112
Lower Ohio	104	127	110	112
Cairo-Memphis	101	107	104	106

Source: Transportation & Marketing /AMS/USDA
nq=no quote

twk=this week

nwk=next week

(*) percentage for bid rates, no trades available

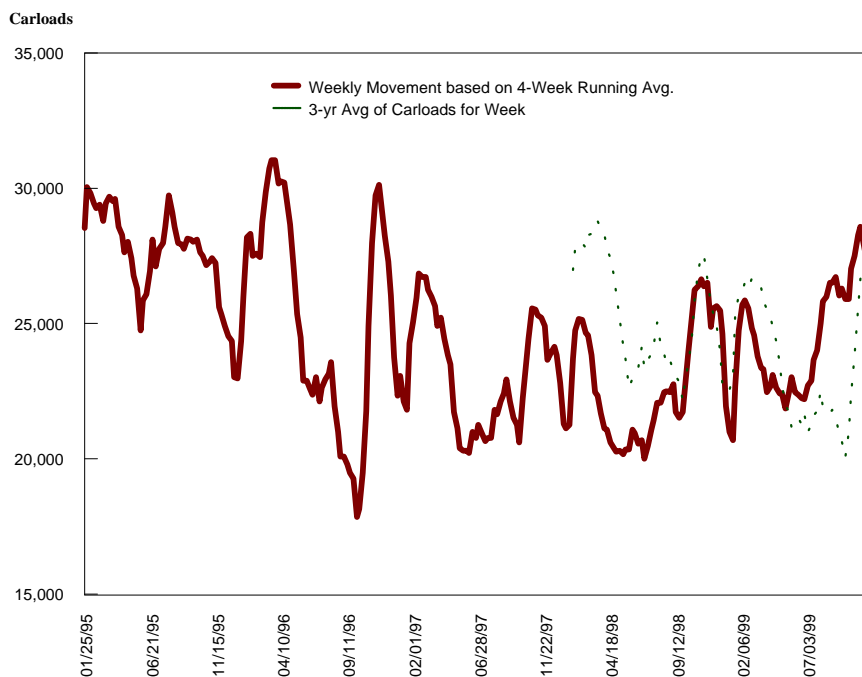
**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
11/06/99	25,764
11/13/99	26,533
11/20/99	26,713
Year to Date - 1999	1,137,414
Year to Date - 1998**	1,046,267
Total 1998**	1,183,860
Total 1997*	1,199,995

**1998 - 52 weeks

* 1997 - 53 weeks



Class I Rail Carrier Grain Car Bulletin

Carloads

Carloads									
			East			West		Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
11/20/99	0	3,022	1,312	2,935	10,729	734	7,981	3,423	4,495
This Week Last Year	1,402	2,918	1,627	2,689	9,022	777	8,250	2,406	4,335
1999 YTD	15,522	116,071	79,256	122,533	415,719	30,440	358,873	105,492	184,741
1998 YTD*	36,257	111,732	69,673	117,184	378,854	30,840	301,727	101,855	193,126
1997 Total**	29,834	118,581	80,255	124,834	428,243	34,690	378,888	171,428	272,156
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387

Source: Association of American Railroads

**1998 - 52 weeks

* 1997 - 53 weeks

Tariff Rail Rates for Unit Train Shipments

November 1999

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
11/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
11/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
11/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
11/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,133	\$45.56	\$1.24
11/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
11/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,800	\$30.86	\$0.78
11/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
11/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,415	\$26.62	\$0.68
11/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,880	\$31.75	\$0.86
11/01/99	61180	Soybean	Omaha, NE	Portland, OR	\$2,480	\$27.34	\$0.74
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

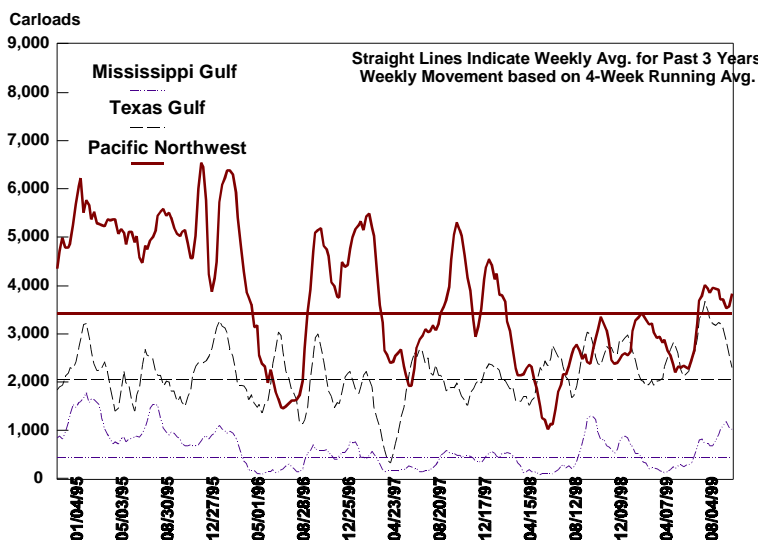
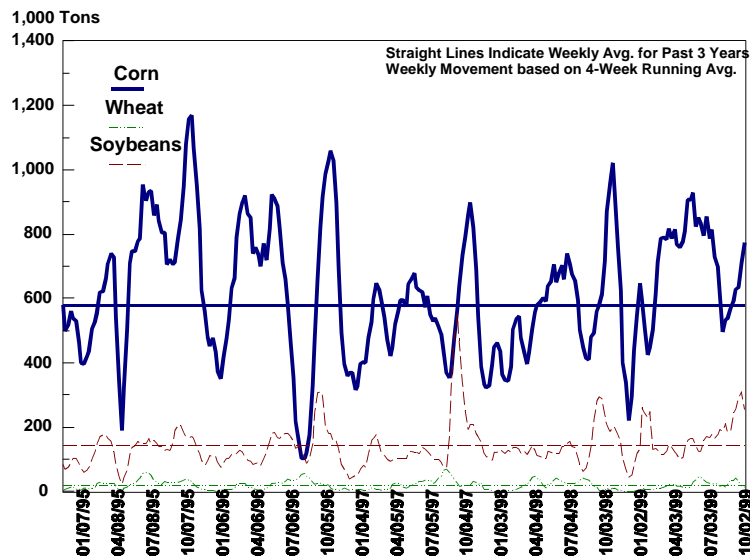
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port

Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
10/13/99	1,481	3,158	4,013	127
10/20/99	1,161	3,287	3,382	295
10/27/99	937	2,626	3,689	453
11/03/99	1,139	2,333	3,063	452
11/10/99	1,039	2,106	4,186	473
11/17/99	968	2,135	4,385	234
YTD 1999	25,984	120,453	142,242	13,284
YTD 1998	19,658	100,145	120,514	10,465
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

Source: Transportation & Marketing/AMS/USDA

Rail Deliveries to Port**Barge Movements - Locks 27****Barge Grain Movements**

for week ending 11/20/99

	Corn	Wht	Sybn	Total
1,000 Tons				
Mississippi River				
Rock Island, IL (L15)	571	8	130	718
Winfield, MO (L25)	534	3	121	661
Alton, IL (L26)	724	0	149	876
Granite City, IL (L27)	742	3	155	906
Illinois River (L8)	146	0	20	166
Ohio (L52)	28	11	18	83
Arkansas (L1)	0	15	24	40
1999 YTD	32,845	2,605	8,247	46,045
1998 YTD	26,144	2,235	7,443	38,518
Total 1998	31,226	2,420	8,866	45,625
Total 1997	29,685	2,689	9,584	45,315

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
11/18/99	1,073	664	873	454	202	3,266	8,836	5,300	17,402
This Week Year Ago	1,356	288	1,115	1,023	204	3,987	9,018	5,067	18,072
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	6,119	1,867	2,633	1,986	432	13,037	11,180	7,104	31,321
97/98 YTD	5,473	1,091	3,166	2,911	426	13,068	9,281	17,713	40,062
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
11/25/99	46	281	0	123	562	489	183	4	0
1999 YTD	9,046	8,391	1,002	6,405	32,456	13,375	8,173	549	1,338
1998 YTD *	9,184	3,981	622	4,635	26,596	12,288	6,447	480	1,175
% of Last Year	83%	192%	154%	127%	104%	90%	112%	98%	96%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service * YTD-Year-to-Date (*98 = 53 week period)

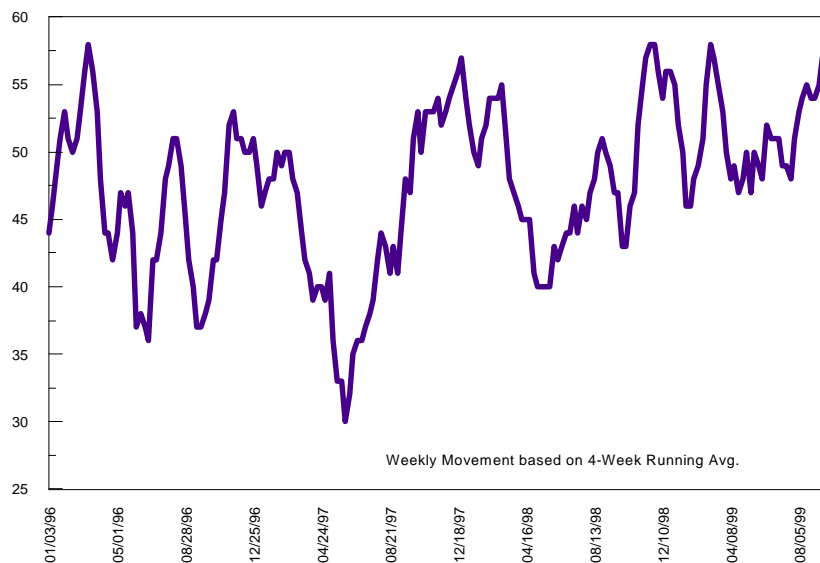
Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 11/25/99			
Vancouver	1,384	391	174
Prince Rupert	633	0	21
Prairie Direct	309	114	71
Thunder Bay	338	143	90
St. Lawrence	1,171	590	0
1999 YTD Exports	3,835	1,238	355
1998 YTD Exports	3,416	963	185
% of Last Year	112%	129%	192%

Source: Canadian Grains Commission
YTD-Year-to-Date Crop Year 8/1-7/31

Vessels



**Gulf Region
Vessels Loaded
- Past 7 Days-**

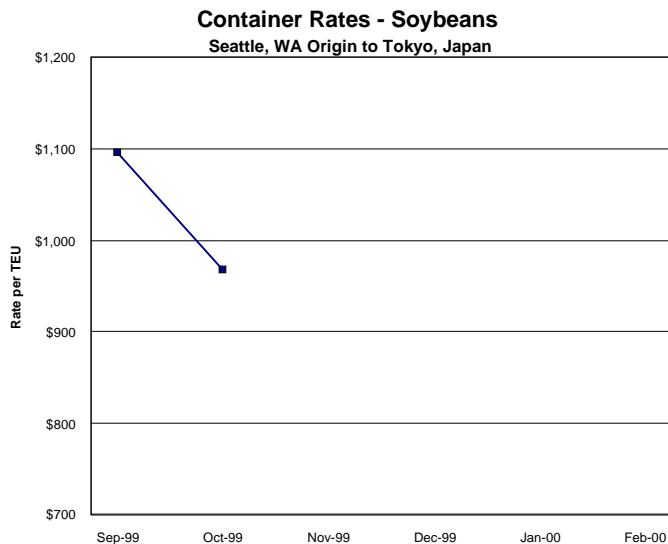
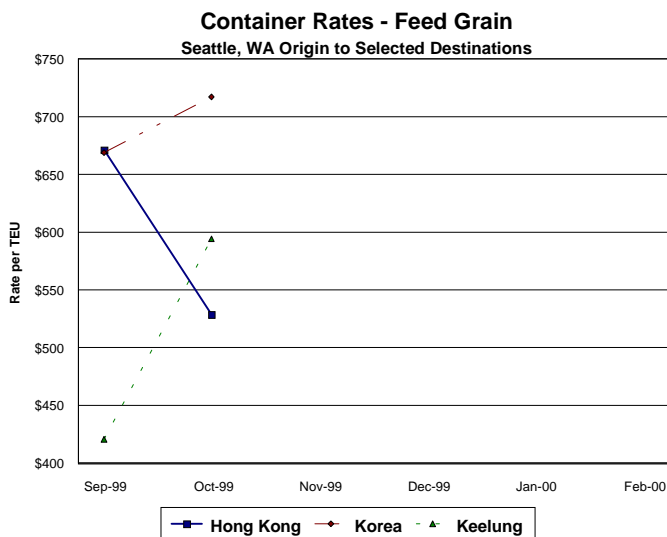
Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
11/18/99	23	57	75	10			11	9	6
11/25/99	21	60	66	9			16	7	4
1998 Range	(19..62)	(34..64)	(40..93)				(1..16)	(3..14)	(0..10)
1997 Range	(11..52)	(25..61)	(31..89)						
1998 Avg	40	48	61				9	9	3
1997 Avg	33	45	58						
1996 Avg	38	46	62						

Source: Transportation & Marketing /AMS/ USDA

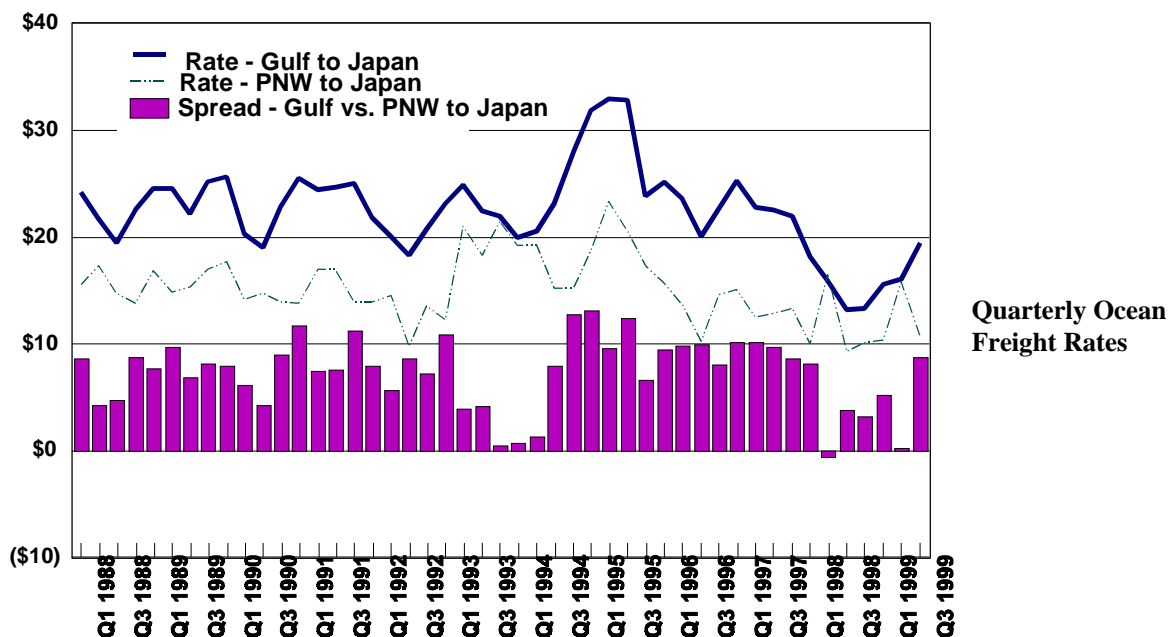
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation & Marketing/AMS/USDA

US\$/Metric Ton

**Quarterly Ocean Freight Rates**

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	1999 3 rd Qtr	1998 3 rd Qtr	% Change		1999 3 rd Qtr	1998 3 rd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$19.46	\$13.17	48%	Japan	\$10.71	\$9.35	15%
Mexico	\$14.97	\$16.33	-8%	Red Sea/ Arabian Sea			
Venezuela	\$12.64	\$10.30	23%				
N. Europe	\$13.31	\$8.85	50%	Argentina to			
N. Africa	\$18.20	\$13.87	31%	N. Europe	\$13.94	\$12.15	15%
				Japan	\$23.00	\$16.21	42%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates (Select Locations) - week ending 11/27/99

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Spain/Portugal	Grains	December	55,000	\$14.00
Gulf	Amsterdam	Grains	Prompt	55,000	\$11.75
Gulf	Egypt	Heavy Grain	December	55,000	\$14.00
Gulf	Philippines	Heavy Grain	December	40,000	\$25.00
Gulf	Taiwan	Heavy Grain	December	54,000	\$21.50
Gulf	China	Heavy Grain	December	55,000	\$20.50
Paranagua	Europe	Grains	December	25,000	\$14.00
S. Brazil	Germany	Grains	November	23,000	\$17.00
Hamburg	Algeria	Wheat	December	25,000	\$16.00
China	India (WC)	Corn	November	25,000	\$14.75

Source: Maritime Research Inc.